Approved For Release 2007/03/03: CIA-RDP79M00467A001300090002-7

SECRET

NIO # 814-75 Notes most

7 April 1975

The Director MEMORANDUM FOR:

SUBJECT

Temptations to Overstate the Damage

From Indochina

- 1. Assessments of the damage to the US position arising out of what happens in Indochina are, by definition, extremely conjectural. These events have never taken place before, and there are no handy precedents. Moreover, evidence on which to base conjectures is necessarily spotty, since neither our friends nor our adversaries have as yet had time to digest the new situation and sort out their own policies. In addition, the situation itself, both on the spot and in terms of US reactions, is still fluid and uncertain. So there are at least three major unknowns in the equation. Finally, the equation itself lies mainly in a soft and subjective area -political will and perceptions of it. Nothing that has happened or is likely to involves a weakening of US military or economic power in objective terms. Thus, since the "worst case" cannot be disproven, and even the most probable case must take account of ominous possibilities, there is a danger of yielding to generalized despair.
- I believe both intelligence and policy-making circles are at the moment more in danger of overstating than understating the lasting damage likely to be done to the US by this setback. It is important not to overlook certain historical realities, among them:

-- Every one of our major allies has, within the memory of middle-aged people, lost either a war or an empire or both. In each case, the loss was incomparably more shattering than what we have suffered or could suffer in Indochina. Yet they survived and even prospered and, in certain respects, were matured in the process.

-- Most historical evidence suggests that our major allies have never believed their vital interests engaged in the Indochina conflict. The speedy rejection by virtually all of them of President Johnson's "20 Flags" proposal in the mid-60s was an early measure of their views in this respect, and what has happened since has strengthened rather than weakened these attitudes.

within framework

SFCRFT

- -- And, not being unattentive to US attitudes, our allies have almost certainly seen a sharp decline in US perceptions of how vital Southeast Asia is to the US. The 1973 Agreements, the "decent intermal" proposition and the 1974 Congressional elections all pointed squarely in this direction.
 - -- If vital interests were not involved, then there are limits on how important losses are.
- Where their vital interests are involved, as they perceive them, present trends in the world are working to make it more rather than less important for the US connection to survive and be strong -- notably in the areas of economics and oil cooperation where real common threats call for real interdependence; in the fraying fringes of NATO clear across the southern tier; and in the myriad uncertainties of the Middle East and the Pacific -- where there is still no substitute for US power (But will it be there?) --
- To the extent that unfriendly powers threaten our allies! interests in these areas, it is at least as likely that. the US will loom larger rather than smaller as a necessary factor in the equation. The fact that it did not succeed in Vietnam will not make the NATO powers, the Japanese of the Australians any more disposed to go it alone than before -- unless the US itself shows shattered confidence.
 - -- None of our allies, and probably none of our adversaries, is so indiscriminating as to believe that all commitments and all allies are of equal importance, or that failure in one effort must presage failure in others. Neither Israel nor NATO (and probably not Japan) could conceive that the US equated Southeast Asia with them.
- -- To learn that there are limits on US power, is not to demonstrate that there is any substitute for the power. we have. So long as this remains true, the contrary lesson is at least as likely to be drawn -- provided, once again, the US keeps its cool.

National Intelligence Officer for Western Europe

25X1

4.	ger II S	ase 2007/03 NDUM FOR:		ctor 75-	0013000900 My ive Registry
:	are now the wors forward to be va	preparing st case sid certain co llid whi	a "devil's de, I feel o onsideration ch may be	nsensus pape advocate" pobligated to ns which I b viewed as th	aper on put elieve
				Section NIO/LIE	
		I CI/NIO —		7 A	
	The state of the s			7 April 19	<u>/5</u>